

AGREEMENT
Between
The North Carolina Department of Commerce, Division of Employment Security
and
The North Carolina Department of Commerce, Division of Workforce Solutions

This Agreement is entered into by and between the North Carolina Department of Commerce, Division of Employment Security ("DES"), and the North Carolina Department of Commerce, Division of Workforce Solutions ("DWS"), for the purpose of setting out the services to be provided by DWS to customers seeking unemployment insurance services from DWS. This Agreement is intended to support the common goal of serving those customers who are unemployed and are in need of financial and job-seeking assistance while they seek to become reemployed.

NOW, THEREFORE, DES and DWS mutually agree as follows:

A. Purpose and Legal Authority

1. The unemployment insurance program in North Carolina is part of a national system designed to provide temporary economic benefits to eligible workers. "Eligible workers," or "claimants," are individuals who (1) lost their job through no fault of their own, (2) worked during a specified time period and received a minimum amount of wages during that time period, (3) are able and available for work, and (4) are actively seeking new employment. All benefits and administrative costs of the unemployment insurance program are paid by employers through State Unemployment Tax Act (SUTA) and the Federal Unemployment Tax Act (FUTA) payments.

2. DES is created within the North Carolina Department of Commerce to administer the unemployment insurance program in North Carolina pursuant to G. S. § 96-3 (2011). For the purpose of this Agreement, reference to Unemployment Insurance (UI) refers to all state and federal unemployment insurance programs except for any federal extended UI benefit programs.

3. DWS is designated by the governor to be the state administrative entity that receives grant funds to carry out the responsibilities of the governor. These grant funds support programs including the federal Workforce Investment Act (WIA), Wagner-Peyser Act, Trade Adjustment Act, and other federal and state funded employment and training programs.

B. Scope of Work

1. UI Services to be Provided by DWS

a. Claim Filing Services

DES and DWS agree that effective January 1, 2013 the remote filing of unemployment insurance claims by customers will be the preferred method of submission to DES. To support this policy, DWS staff will direct customers to file their claim remotely, either by telephone or

through the DES website. If neither of these options is desired by the customer, DWS staff will provide the customer a "Take Home Packet" that contains the necessary information to file a claim by mail. For those customers who are determined to need staff assistance, accommodations will be made by DWS staff to facilitate this activity within three business days of the request. These accommodations may include but are not limited to the following:

- DWS will contact DES on behalf of the claimant to facilitate the filing of a claim by remote methods.
- DWS will provide direct assistance to a claimant in completing a Take Home Packet claim in the office and transmit it to DES by fax.

The Take Home Packet will be stored and maintained on the DES Intranet and DES website. DWS staff will have access to this Packet so they may print it and deliver it to customers as needed. Customers should be instructed to mail or fax the completed Take Home Packet to DES.

b. Phase Out Timeline for Claim Filing Services Currently Performed by DWS staff

The following functions currently being performed in the DWS locations will be phased out as follows:

(i) Beginning January 1, 2013, all claims identified as Lack of Work shall be filed remotely. Any claims inquiries should be referred to the Remote Service Center ("RSC") Customer Service Group by calling RSC telephone number at 1-888-737-0259 or emailing the UI Customer Service Mailbox at esc.ui.customerservice@nccommerce.com.

(ii) All non-separation issues established on or after February 1, 2013 will cease to be adjudicated in the DWS locations. DWS staff or their designee will send an email within 24 hours to the UI Customer Service Mailbox, set forth above, with the subject line, "**Claims Issue.**" The content of the email shall list the claimant's name, last 4 digits of their social security number, contact information and a description of the issue.

(iii) For all separation issues established on or after March 1, 2013, claimants should be given the RSC telephone number and UI Customer Service Mailbox email address set forth above so they may contact the RSC to resolve outstanding issues.

(iv) Beginning March 1, 2013, all 500AB forms returned by employers to a local office shall be faxed to the RSC Support Office at 919-733-1371 within 24 hours.

(v) Beginning April 1, 2013, all of North Carolina's unemployment insurance claims (State, UCX/UCFE, CWC, and Federal-State Extended Compensation) will be filed remotely; either by Internet, Telephone or Mail. DWS shall continue to provide the claim filing services outlined in Paragraph A.1.a. herein.

2. Employability Development Services to be Provided by DWS beginning March 1, 2013

a. Roles and Responsibilities of DWS staff or their designee:

(i) All claimants who have received their first pay shall participate in an in-depth employability assistance interview and will be contacted by DWS staff for the initial interview within 4 weeks of the first pay.

(ii) As part of the employability assistance interview, DWS staff or their designee will provide labor market and career information, an assessment of occupational skills, and will create a customized employability development plan for the claimant. A copy of this plan should be maintained with DWS. The Employability Development Plan shall consist of the following:

- Detailed evaluation of barriers to reemployment
- Referrals to services to address barriers
- Skills assessment
- Labor market and career information
- Detailed outline of job search provisions to include:
 - Types of work being sought(based on labor market expectations)
 - Geographic area work search is being conducted
 - Minimum salary desired

(iii) DWS staff or their designee will make referrals to appropriate services.

(iv) DWS staff or their designee will also conduct Orientations to UI Claimants to explain programs and services offered in the One-Stop Career Center.

(v) Following the initial employability assistance interview, DWS will utilize the worker profiling and reemployment services system to identify claimants most likely to exhaust their UI claims and who will require on-going reemployment services to transition to new employment. These claimants will be scheduled for subsequent employability interview with DWS staff.

(vi) DWS staff or their designee will be responsible for ensuring that an appropriate work search has been done by the claimant and that any potential non-separation issues raised during interviews will be referred to DES. DWS staff or their designee will send an email, within 24 hours, to the UI Customer Service Mailbox, set forth above, with the subject line, “**Claims Issue.**” The content of the email shall list the claimant’s name, last 4 digits of their social security number, contact information and the type of issue.

(vii) The North Carolina Wagner-Peyser goal to be achieved by DWS for reemployment of individuals served by DWS is 58%. The DES reemployment goal to be achieved for UI claimants is that 58.5% of North Carolina UI claimants be reemployed within the quarter following the quarter in which they received their first UI payment.

b. Identification of Potential UI Eligibility Issues

UI funds will be used to help assess the continued eligibility and reemployment needs of claimants. In the event a claimant requests the employability interview appointment be rescheduled, DWS or their designee will make at least one attempt to accommodate rescheduling. In the event the claimant needs to reschedule with an alternate location, staff will accommodate as necessary. If rescheduling efforts fail and the claimant does not report, DWS staff or their designee will refer the matter to DES within 24 hours. DWS staff or their designee will send an email to the UI Customer Service Mailbox, set forth above, with the subject line, **"Claims Issue."** The content of the email shall list the claimant's name, last 4 digits of their social security number, contact information and the type of issue.

c. Issue Resolution

All employability development services will be delivered by DWS staff or their designee. Consequently, communication regarding roles and responsibilities will be direct and ongoing between the management of DES and DWS. All activities will be monitored by DWS management. In addition, policies and procedures may be developed by the parties to ensure staff is aware of the programmatic and administrative roles and responsibilities of DWS and/or their designees.

d. Public Communication

Communication to claimants, the public at large, media, and elected officials on the changes and impact of changes outlined in this Agreement, shall be developed and managed by DES. DES will consult with DWS in the development and deployment of the communication plan.

e. Employer Outreach:

DWS management and DES management agree to collaborate in serving the employers of North Carolina by participating in educational presentations and Rapid Response meetings on an as needed basis.

C. Reporting Requirements

Data may be extracted from DWS and DES files by DES Information Systems staff and shared with State and Federal partners as needed to comprise reports.

D. Information Sharing/Confidentiality

DWS enters into agreements with local North Carolina workforce partners for the purpose of sharing information electronically via the job matching system in order to provide quality service to all customers. Access is authorized at the local level and partner staff shall receive a USERID and password to enter and view transactions. To comply with DES's

confidentiality policy, claimants' full Social Security Numbers may not be transmitted via electronic mail.

DES agrees to allow DWS staff and their designees sufficient access to UI Benefit GUIDE screens necessary to provide the services outlined in this Agreement and to facilitate the provision of information to employers, dislocated workers, and one-stop partners.

Information maintained by DES on the UI Benefit GUIDE system is Confidential Information. DWS specifically assures DES that DWS will ensure that all DWS staff and their designees, in regard to all confidential information, shall:

1. Use the Confidential Information only for the specific purpose authorized in this Agreement, and not redisclose the Confidential Information for any other purpose, except those required by law;
2. Store the Confidential Information in a place physically secure from access by unauthorized persons;
3. Store and process the Confidential Information maintained in an electronic format in such a way that unauthorized persons cannot retrieve the information by means of a computer or otherwise gain access to it;
4. Take precautions to ensure that only authorized personnel have access to the computer systems in which the Confidential Information is stored;
5. Implement safeguards and precautions to ensure that only authorized parties have access to the Confidential Information; and
6. Instruct all authorized parties with access to Confidential Information and to any records created therefrom of its confidential nature; of the safeguards required to protect the information; and of the civil and criminal sanctions for noncompliance contained in North Carolina General Statute §96-4(x)(3).

E. Funding:

DES receives administrative grants from the United States Department of Labor to fund regular unemployment insurance services. DES will provide the funding set forth below for the services to be performed by DWS under this Agreement, subject to the continuing availability of the funds.

1. For the period beginning July 1, 2012 through September 30, 2012, DWS will be allocated the sum of one million five hundred thousand and 00/100 dollars (\$1,500,000.00) to perform UI services.

2. For the period beginning October 1, 2012 through September 30, 2013, DWS will be allocated the sum of three million and 00/100 dollars (\$3,000,000.00) from the DES administrative budget for DWS or their designee to perform the designated UI services outlined in Section B. entitled "Scope of Work" hereinabove.

3. DWS and DES will meet quarterly to assess progress in meeting the transition goals of this Agreement. This will include assessing the impact on roles and responsibilities, services to claimants, and financial costs.

F. Term of the Agreement


This Agreement is in effect beginning July 1, 2012 and shall continue thereafter unless terminated in writing by either party. The parties shall review this Agreement annually or any other such time as either party deems necessary to effectuate the purpose of this Agreement, and to comply with state and federal law. This Agreement is subject to modification at any time upon written amendment signed by both parties.

G. Signatures

IN WITNESS HERETO, the PARTIES have executed this Agreement in duplicate originals, by their duly authorized officials:

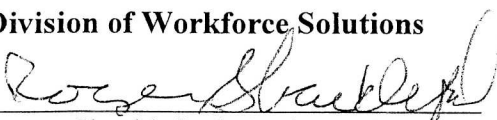
North Carolina Department of Commerce

Division of Employment Security


Dempsey E. Benton, Assistant Secretary

Date: 6 Nov 2012

Division of Workforce Solutions


Roger Shackleford, Assistant Secretary

Date: Nov. 6, 2012